

Project Tracking No.:

Return on Investment (ROI) Program Funding Application

This template was built using the ITD ROI Submission Intranet application.

FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is an IOWAccess Fund Request. Amount of funding requested:

\$35,000.00

Section I: Proposal

Date: November 4, 2005
Agency Name: Iowa Department of Management
Project Name: Local Budgets
Agency Manager: Michael Tramontina
Agency Manager Phone Number / E-Mail: 515-242-5192 / Michael.Tramontina@iowa.gov
Executive Sponsor (Agency Director or Designee): Michael Tramontina/Steve Ford-designee

A. Project Summary: Describe the nature and use of the proposed project, including what is to be accomplished, how it will be accomplished, and what the costs and benefits will be.

This project is intended to create the functionality necessary for electronic submittal of statutorily required, date specific documents reviewed and approved by multiple users.

The Department of Management is requesting funding for the Execute phase of the implementation of a file transfer capability within the DOM website that will allow cities and schools to submit annual budgets electronically. The site must be able to verify the file is appropriate, notify the specific county auditor of receipt of the file, provide the county auditor with a record of timely submittal, while providing a proof of submittal for the city/school. Once submitted, the specific county auditor will be allowed to open budgets within their authority, correct errors when necessary, and certify to DOM the individual budget meets their statutory review. Lastly, DOM will then be notified the budget is available for processing once the county auditor has completed their review.

By completing this project, it will enhance the DOM website by providing a facility for the 947 cities and 365 school districts to submit annual budgets electronically. A customized FTP site will provide the vehicle for electronic submission, automate the budget review process, eliminate duplicative submission of paper forms, reduce errors, and save state and local staff time and funds. The site will provide a single point for the 99 county auditors to receive, view, and edit required documents. The site could also serve as a model for future submittal of required forms from local governments, businesses or residents.

The budget and vehicle used to develop the forms has changed over time adapting to legislation, changes in accounting methodology, advancements in technology, and, more importantly, shortage of funds. The budget software is now created exclusively with customized Microsoft Excel files. The school districts and counties are required to complete their budgets on the custom Excel file and submit them electronically to the department. Cities are required to do the same beginning with the fiscal year 2007 budget due March 15, 2006.

B. Strategic Plan: How does the proposed project fit into the strategic plan of the requesting agency?

The submittal of local budgets that includes the authority's requested property tax dollar is required annually on March 15th and April 15th for school districts. The county auditor for specific statutory compliance initially reviews city and school district budgets. Once completed, the budget is then forwarded to the department for further review and processing. By June 15th of each year, the department must certify final property tax rates for each authority back to the respective county auditor. The application of computer technology to this process has drastically increased the accuracy and speed of the process for cities, school districts, counties and the state.

The original 1997 project and implementation goals omitted the critical component of transmittal of the electronic budgets for statutory review by two separate authorities, the 99 counties and the Department of Management. In the case of cities and school districts, paper budgets are reviewed by counties while the electronic version is submitted via email or diskette to the state completely bypassing the county. The county auditor's office reviews and forwards the paper budget to the department that must compare it to the Excel file. The receipt and acknowledgement of approximately 1,000 emails is extremely cumbersome for two staff and not the most effective use of resources. Similarly, the receipt of several hundred diskettes is equally inefficient given the propensity of disks failure and potential exposure to a virus.

C. Current Technology: Provide a summary of the technology used by the current system. How does the proposed project impact the agency's technological direction?

Paper budgets are reviewed by counties while the electronic version is submitted via email or diskette to the state completely bypassing the county. The county auditor's office reviews and forwards the paper budget to the department that must compare it to the Excel file. The receipt and acknowledgement of approximately 1,000 emails is extremely cumbersome for two staff and not the most effective use of resources. Similarly, the receipt of several hundred diskettes is equally inefficient given the propensity of disks failure and potential exposure to a virus.

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?

No (If "Yes", cite the specific Federal law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation:

Is this project or expenditure required by state law, rule or order?

YES (If "YES", cite the specific state law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation: IDOM is required to review city and school district budgets and tax certifications for statutory compliance and certify final tax rates to the county auditors by June 15 (IA Code Chapter 24 & 384).

Does this project or expenditure meet a health, safety or security requirement?

YES (If "YES", explain.)

Explanation: The submittal of budgets via email is a security risk for both county and state government entities.

Is this project or expenditure necessary for compliance with an enterprise technology standard? NO

YES (If "YES", cite the specific standard.)

Explanation:

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)

If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-15 points awarded.



E. Impact on Iowa's Citizens

a. Project Participants - List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many direct users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

Project participants: Iowa Department of Management; 99 County Auditors; 947 cities; 365 school districts will be directly impacted. Other users are policy decision makers such as the governor and legislature. The timely and accurate collection and analysis of the data by the state and other interested parties is critical in assessing economic and legislative impact on the diverse areas of the state.

b. Service Improvements - Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Improved Efficiency: Reduce the time required to complete and process budgets; increase reliability and accuracy of data; vastly increase the amount of data available for analysis; create the ability to adopt additional automation to manipulate data for statistics and reports.

c. Citizen Impact – Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an extension of another project, what has been the adoption rate of Iowa’s citizens or government employees with the preceding project?

By completing this project, the groundwork is laid to make all budget documents more readily available to all interested parties on demand. And for first time, budgets can be viewed, printed or downloaded from an electronic medium.

d. Public Health and/or Safety – Explain requirements or impact on the health and safety of the public.

[This section to be scored by application evaluator.]	
<p><u>Evaluation (15 Points Maximum)</u></p> <ul style="list-style-type: none"> • Minimally directly impacts Iowa citizens (0-5 points). • Moderately directly impacts Iowa citizens (6-10 points). • Significantly directly impacts Iowa citizens (11-15 points). 	<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>

[This section to be scored by application evaluator.]	
<p><u>Evaluation (10 Points Maximum)</u></p> <ul style="list-style-type: none"> • Minimally improves customer service (0-3 points). • Moderately improves customer service (4-6 points). • Significantly improves customer service (7-10 points). 	<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>

F. Process Reengineering

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.

Response:

The budget software is now created exclusively with customized Microsoft Excel files. The school districts and counties are required to complete their budgets on the custom Excel file and submit them electronically to the department. Cities are required to do the same beginning with the fiscal year 2007 budget due March 15, 2006.

Additionally, paper budgets are reviewed by counties while the electronic version is submitted via email or diskette to the state completely bypassing the county. The county auditor’s office reviews and forwards the paper budget to the department the must compare it to the Excel file. The receipt and acknowledgement of approximately 1,000 emails is extremely cumbersome for two staff and not the most effective use of resources. Similarly, the receipt of several hundred diskettes is equally inefficient given the propensity of disks failure and potential exposure to a virus.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

By implementing the electronic submittal of the documents, the new program will accomplish the following:

Coordinate single point of contact: All budget data can be transmitted to a secure environment where submission can be logged, review can be uniformly performed by multiple users on discrete files while documenting the process. The actions taken on budgets can be recorded and information exchanged with various entities upon completion.

Improve Efficiency: Reduce the time required to complete and process budgets; increase reliability and accuracy of data; create the ability to adopt additional automation to manipulate data for statistic and reports across budget years.

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimal use of information technology to reengineer government processes (0-3 points).
- Moderate use of information technology to reengineer government processes (4-6 points).
- Significant use of information technology to reengineer government processes (7-10).



G. Timeline

Provide a projected timeline for this project. Include such items as planning, database design, coding, implementation, testing, conversion, parallel installation, and date of final release. Also include the parties responsible for each item.

Current estimates indicate a start to finish time frame of approximately 10 weeks.

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The timeline contains several problem areas (0-3 points).
- The timeline seems reasonable with few problem areas (4-6 points).
- The timeline seems reasonable with no problem areas (7-10).



H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades, ...

	FY04		FY05		FY06	
	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost
State General Fund	\$0	0%	\$0	0%		100%
Pooled Tech. Fund /lowAccess Fund	0	0%	\$47,000	100%	\$0	0%
Federal Funds	\$0	0%	\$0	0%	\$0	0%
Local Gov. Funds	\$0	0%	\$0	0%	\$0	0%
Grant or Private Funds	\$0	0%	\$0	0%	\$0	0%
Other Funds (Specify)	\$0	0%	\$0	0%	\$0	0%
Total Project Cost	\$0	0%	\$47,000	0%	\$0	0%
Non-Pooled Tech. Total	\$0	0%	\$0	0%		100%

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The funding request contains questionable items (0-3 points).
- The funding request seems reasonable with few questionable items (4-6 points).
- The funding request seems reasonable with no problem areas (7-10).



I. Scope

Is this project the first part of a future, larger project?

YES (If "YES", explain.) X NO, it is a stand-alone project.

Explanation:

Is this project a continuation of a previously begun project?

x NO YES (If "YES", explain.)

Explanation:

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- This is the first year of a multi-year project / expenditure or project / expenditure duration is one year (0-5 points)
- The project / expenditure is of a multi-year nature and each annual component produces a definable and stand-alone outcome, result or product (2-8 points).
- This is beyond the first year of a multi-year project / expenditure (6-10 points)



The last part of this criteria involves rating the extent to which a project or expenditure is at an advanced stage of implementation and termination of the project / expenditure would waste previously invested resources.

J. Source of Funds

On a fiscal year basis, how much of the total project cost (\$ amount and %) would be absorbed by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

Response: \$47,000 at 100%

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- 0% (0 points)
- 1%-12% (1 point)
- 13%-25% (2 points)
- 25%-38% (3 points)
- 39%-50% (4 points)
- Over 50% (5 points)



Section II: Financial Analysis

A. Project Budget Table

It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff						
Software						
Hardware						
Training						
Facilities						
Professional Services						
ITD Services	\$47,000					
Supplies, Maint, etc.						
Other						
Totals						

B. Spending plan

Explain how the funds will be allocated.

The funds allocated would be used to complete the execution of this project.

C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

1. **Annual Pre-Project Cost** - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

Describe Annual Pre-Project Cost: \$5,000 to \$10,000 support for current process will be reduced or eliminated (data entry, mainframe program support, mailing, printing, etc.)

Quantify Annual Pre-Project Cost:

	State Total
FTE Cost(salary plus benefits):	\$0.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Pre-Project Cost:	\$0.00

2. Annual Post-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

Describe Annual Post-Project Cost:

Quantify Annual Post-Project Cost:

	State Total
FTE Cost(salary plus benefits):	\$0.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Post-Project Cost:	\$0.00

3. Citizen Benefit - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen time.

Describe savings justification:

Transaction Savings

Number of annual online transactions:

Hours saved/transaction:

Number of Citizens affected:

Value of Citizen Hour (half of our inquiries will come from attorneys – average rate for attorneys/hour = \$150/hr - $\$150 + 10 = \$160 / 2 = \$80/\text{hr}$)

Total Transaction Savings:

Other Savings (Describe)

Total Savings:

4. Opportunity Value/Risk or Loss Avoidance - Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response:

5. Benefits Not Readily Quantifiable - List and summarize the overall non-quantifiable benefits (i.e., IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.).

Response:

Provide broader access to information to citizens who have a statutory right to that information.

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	
B. Total Annual Post-Project cost (State Share from Section II C2):	
State Government Benefit (= A-B):	
Annual Benefit Summary:	
State Government Benefit:	
Citizen Benefit:	
Opportunity Value or Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	
D. Annual Prorated Cost (From Budget Table):	
Benefit / Cost Ratio: (C/D) =	
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 =	

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)

- The financial analysis contains several questionable entries and provides minimal financial benefit to citizens (0-5 points).
- The financial analysis seems reasonable with few questionable entries and provides a moderate financial benefit to citizens (6-10 points).
- The financial analysis seems reasonable with no problem areas and provides maximum financial benefit to citizens (11-15).



Appendix A. Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

1. Improved customer service

The process is simplified, more efficient, time saving and most importantly standardized.

2. Citizen impact

General public will have far more accessibility to accurate and timely budget data.

3. Cost Savings

It is difficult to attach a value to a wider range of information being made available to a significantly larger audience. The cost savings include employee time and effort working on budgets, answering phones, supplying information, reviewing paper copies to verify data that will now be readily available online.

4. Project reengineering

Department of Management wants to reduce costs, improve budgetary processes and validity while improving communication between counties, school districts and cities.

5. Source of funds (Budget %)

Investment in this project improves the validation by those entities tasked with regulatory responsibilities at a lower cost. The automation system allows for reduced paper costs, minimize correspondences between local and state governments and decrease staff administrative time.

6. Tangible/Intangible benefits

The citizens can view reliable budgets and data with confidence that the information is accurate and creditable.